

Report to: **Audit and Best Value Scrutiny Committee**

Date: **29 November 2006**

By: **Assistant Director of Resources - Adult Social Care**

Title of report: **Business Transformation Programme Update and Risk Management**

Purpose of report: **To update the Scrutiny Committee on the progress of the Programme and the Management of Risk**

RECOMMENDATION:

The Audit and Best Value Scrutiny Committee are recommended to note the progress of the Business Transformation Programme to date and the Management of Risk.

1. Financial Appraisal

1.1 This report refers to the £4m capital funding approved through the Council's capital bidding process as part of Reconciling Policy and Resources to fund the major part of the Programme.

2. Background and Supporting Information

2.1 Following the approval by the County Council and the detailed 'Peer' Review by the Assistant Director of ICT services, the Business Transformation Programme was launched by Councillor Keith Glazier, Lead Cabinet Member for Adult and Children's Services, on the 27 February 2006.

2.2 There are four streams within the Programme containing multiple projects focussed on delivering key objectives to enhance our service to clients and ensuring that we have efficient and effective back office support. A fifth support stream is to look at systems structure across the whole programme.

3. Update on each Project Stream:**(a) Income**

3.1 Our preferred system has been identified, namely 'Abacus' from 'Trojan'. We are currently in contractual negotiations with 'Trojan' with these expected to be complete in early November 2006, with installation starting during November. Consultation has taken place with service users. A draft new organisation structure and the relevant new job descriptions have been completed with the staff and union consultation process underway. The new operating processes have been mapped out and shared with the current teams for feedback.

(b) Procure-To-Pay (P2P)

3.2 *Tendering Process* – There has been 35 'Invitations to Tender' sent out to those providers who expressed an interest in providing Home Care Services. A number of consultation events have taken place with the Residential Providers informing them about the Preferred Provider Scheme being introduced from April 2007 and new contract terms. The Direct Payments Tender has had 5 tender documents returned with the evaluation of these imminent.

3.3 *Contract Management System (CMS)* – Demonstration of the modules of the CMS took place in early October 2006. Like the income system, we are now at the stage of contract signing after some negotiation, which indicates an implementation start in November 2006. The detail around the provider payment system is currently being finalised with some scenario testing envisaged during the next two weeks.

3.4 *Procurement process re-design* – The redesigning of the processes around the procurement cycle continues. A new organisational structure has been designed along with job descriptions and the consultation process is underway with the staff and unions.

3.5 *Web Portal development* – This is the gateway to exchanging information with providers in its basic format by April 2007. Post 'go live' further enhancements are expected to be developed.

c) *Predictive Planning & Performance Management*

3.6 The Business Warehouse system is currently being upgraded to the latest version, which has enriched functionality to allow faster and easier development of data cubes. The team are in the detailed design phase of how data will join together to achieve the requirements identified through the interview process and the creation of FACT tables. The Corporate ICT developers have returned from their SAP (r3) Academy training and are already putting their training investment to good use. Development can accelerate once the income, CMS, and provider payments systems have been acquired, as access to the data store will aid cube creation. The main objective by April 2007 is to have financial forecasts based on care package activity to ensure we maximise resources in placing clients.

(d) *Operational Practice*

3.7 The second workshop was a very successful event with 60-70 people participating. The stream has been sub divided into focussed areas of deliverables. These sub-streams are (A) First point of contact, (B) Care Assessment and Management Processes including Single Assessment Process (SAP), (C) Technological Solutions and (D) Reviews. The project team are currently changing the processes to support the new Service Placement Team in Procurement, undertaking a review of Social Care Direct and simplifying the placement funding approval process. The majority of work in changing the operational aspect of the department will occur post April 2007 especially with the size and nature of the cultural impact.

(e) *System Framework (formerly Sap Configuration)*

3.8 This project stream has become more than just the leverage of the authorities SAP r3 investment. It is essential through system linkages and interfaces that a smooth data flow through all the systems in the architecture design is in existence. This holistic approach to systems design ensures consistent data sets and reduces duplication, as well as eliminating double entry. This stream will ensure a joined up working which will be enhanced after April through event driven actions reducing more manual intervention.

(f) *Change Management*

3.9 The team continues to support the projects through Human Resource (HR) advice and support in new job descriptions and the development of organisational structures. A training plan is being developed to support the changes and for the development of new skills required for the new systems and methods of working. With the success of the previous road shows, there will be another road show late November to early December 2006 to show people what has been achieved and what is still to come. The team continue to support managers in the 'Transition' period of change. It cannot be underestimated the importance of supporting staff through this process.

4. Risk Management

4.1 The Management of Risk is a key area within the programme controlled in a very robust manner. The complexities of multiple projects which are intrinsically linked means that these projects require a significant level of control over issues and potential risks that may arise with escalation to the appropriate authority.

4.2 Currently each project manager maintains an issue and risk log associated to their project which is updated on a regular basis. This is then consolidated by the Programme Co-ordinator who then reviews these risks and issues with the individual project managers on a weekly basis including any mitigating actions. Any urgent problems are escalated to the Programme Manager to be dealt with. A consolidated document after the project manager review is then scrutinised by the Programme Manager and any additional overarching risks are added and the scoring of each risk is considered and any action that is needed to mitigate the risks is noted and the revised scoring of the impact of the risk action plan.

4.3 The major top level risks are then produced in a summarised schedule for the Programme Board (Appendix A) to consider with attached documentation (Example: Appendix B) detailing these risks and what actions are being taken to mitigate the risks.

4.4 The way in which we monitor and action our risks are always being reviewed to improve the way in which we can handle through mitigating actions or react in a timely manner to reduce the impact any risk may have on the programme.

5. Conclusion and Reasons for Recommendation

5.1 Significant progress has been made with the Business Transformation Programme to date with major systems installations and changes happening over the next few months and significant work continuing into 2007. The Programme has a robust risk management process and reporting mechanisms set in place. The Scrutiny Committee are asked to note this progress to date and the Risk Controls in place accordingly.

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Local Member(s): *All*

BACKGROUND DOCUMENTS: Appendix A: Programme Board Risk Log
Appendix B: Example of Risk Detail

“Red” Risk Detail		Adult Social Care Business Transformation Programme
Stream / Risk ID	Programme / Prog-R32	
Summary of Risk	Current Systems Data Integrity	
Date Risk Raised	6/9/06	

Revision History

Version No.	Revision Date	Summary of Changes	Changed by	Current Version No.
	6/9/06	Original Draft	Alan Gower	0.1
0.1	10/10/06	Updated	Alan Gower	0.2
0.2	16/10/06	Updated	Paul Young	0.3
0.3	15/11/06	Clarified Actions and Mitigation scoring	Paul Young	0.4

1 Risk Description

A description of the risk; this must include what the risk is, how the risk is going to happen and what the effect of the risk is likely to be.

- 1.1 The major systems currently used by the department are CareFirst and Aegis, with Aegis being used for payments to providers. Comparisons of the datasets held in CareFirst and Aegis signify large discrepancies.
- 1.2 New processes recommended by the Business Transformation Programme rely on accurate information being held within CareFirst as a gateway to feed all aspects of the new architecture from notification of a financial assessment requirement, notification to the Service Placement Team (SPT) for service requirements, providing care plans following through to paying providers.
- 1.3 It is, therefore, essential that the data in CareFirst is complete before go-live of the new systems. Exercises for ensuring completeness of information through gap analysis of requirements and comparison to other sources namely Aegis can take a considerable amount of time.
- 1.4 It has always been stipulated though the PIDS that this exercise was outside the scope of the Programme but it is a critical element of it's success. It was always expected this information will be provided for day one.
- 1.5 If the data is not verified, then the knock on effect to the other systems would be catastrophic including provider payments under the new system will be inaccurate, leading to disputes with providers and potential loss of service.

2 Probability, Impact & Proximity

The probability of the risk occurring, and its impact, on a scale of 1-5, plus when the risk will affect the programme/project.

- 2.1 The probability of the data validation not being completed by March 07 is currently seen as very high (5), with an impact on the programme also very high (5).
- 2.2 Because of the likely length of this task, the proximity of the risk is very short and should be measured in days not weeks.

2.3

Probability:	5	Proximity:	October
	Cost	Time	Quality
Impact:	2L	12H	16H

3 Ownership

The person best suited to oversee and monitor the risk.

- 3.1 The ownership of CareFirst data is owned by Operations with the systems managed by E-Business. This crosses all areas of the department and as such needs to be owned by ASC DMT. The work needs to be co-ordinated by E-Business with BTP having a significant input with other Operational and Commissioning staff.

4 Actions

A list of possible actions to take against the risk.

- 4.1 E-Business have taken the Lead on this work with other departments feeding into the process with a PID already agreed. Work has started on the Gap Analysis between disparate systems and conflicting data to ensure we have consistency across the systems architecture. The determination of requirements of outputs will be confirmed as we acquire the new systems along with already predefined outputs for KPI's and the Business Warehouse. The analysis of all data will determine what we currently have, where there are gaps and inconsistencies between systems. The team will action collection of missing data from original sources internal and external to the authority. A comprehensive set of terminology will also be produced to eradicate confusion and variation in interpretation in the future. Process changes will be defined and cascaded through training to users of the systems to ensure data collection completion is adhered in conjunction with the Operational stream. This aims to ensure we maintain a complete set of consistent high quality data.

5 Current Status

The current status of the risk (Reducing, Increasing, Open or Closed) and further notes that are relevant to the current status of the risk.

- 5.1 This risk is Open and Increasing as each day goes by without the exercise being started.

Probability:	3	Proximity:	October
	Cost	Time	Quality
Impact:	2L	6M	9H

Business Transformation Programme - Board Key Risk Log

		Initial Risk Score			Workstreams Affected							Current Risk Score									
Ref	Description	Probability (1-5)	Impact (1-5)	Risk Score	Proximity	Proximity Calc	Income	Current Risk Review	PPPM	Ops Practice	Systems Arch	Total	Program Level Risk?	Action	Probability (1-5)	Impact (1-5)	Risk Score	Status	Logged By	Date Logged	Owner
Prog-R32	Current systems data integrity with various systems being used we do not have a comprehensive version of the truth.	5	5	25	31/10/2006	-22	1	1	1	1	1	5	y	Appoint owner to take forward. Do Gap Analysis between systems and required output of interfaces. Converge data for one data set. Determine who updates system 06/09. Peter Manning now moving this forward with a view of putting a solution in place and a dedicated resource to formulate plan with PSO.26/10	3	5	15	Open	Alan Gower	06/09/2006	ASC DMT
Prog-R33	Business Requirements not stable enough to define solutions	5	4	20	30/09/2006	-53	1	1			1	3	y	Finalise and document all business requirements. Business to sign -off to key business decisions. 07/11	3	4	12	Open	Alan Gower	06/09/2006	Rita Stone
Prog-R15	Development of Interfaces between systems (SAP, CareFirst, Trojan and Controcc) will not be completed in time	4	5	20	30/11/2006	8	1	1	1	1	1	5	y	Prioritise requirements, implement BizTalk, simplify technology, distribute workload across suppliers. Development work currently undertaken.07/11	3	5	15	Open	Alan Gower	01/06/2006	Alan Gower
Prog-R34	Savings anticipated in the Business Case will be compromised.	5	3	15	01/10/2006	-52		1		1		2	y	Attempt to model the likely effect of these changes Model of re-tendering savings and new structure costing. 7/11	2	3	6	Open	Alan Gower	06/09/2006	Rita Stone
Prog-R28	Conflicts with other initiatives for change within ASC	5	3	15	01/09/2006	-82	1	1		1		3	y	Clarify terms of reference for projects and merge projects where possible. Meeting of CMIG with other groups to define Terms of Reference, gain clarity of other projects and dependencies to manage impact.7/11	4	4	16	Open	Alan Gower	01/04/2006	ASC DMT
Prog-R3	The implementation of externally provided IT systems will not be completed on time	3	5	15	10/11/2006	-12	1	1	1		1	4	y	Complete the specification of requirements before 31/10/06. Spec sent on time for BAFO	3	5	15	closed	Alan Gower	01/04/2006	Paul Young

Counts Open 5 Pending 0

Closed 1

Action Resolution Date (or Risk Resolution if Closed)
31 Oct 2006
31 Oct 2006
31 Dec 2006
31 Dec 2006
31 Dec 2006
31 Oct 2006